

Wisconsin Department of Safety and Professional Services

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PHARMACY EXAMINING BOARD

APPLICATION INFORMATION REGARDING LICENSURE OF A WHOLESALE DISTRIBUTOR (New, Change in Ownership or Change of Location)

A completed application must be on file with the Pharmacy Examining Board at least 30-days prior to opening.

1. **Complete Application for the Licensure of a Wholesale Distributor of Prescription Drugs (Form #2814):** To determine when a change of ownership occurs please view chart on page 3.
2. **Addendum to Application – Business Entities (Form #2552):** Complete and return with your employer identification number (**FEIN**) unless your business will be a sole proprietorship and employ only yourself. Employer identification numbers can be obtained from the Department of Revenue at (608) 261-6249.
3. **Convictions and Pending Charges (Form #2252):** All applicants will be required to answer questions on the application form about convictions of any crime, other violations and pending charges in Wisconsin or any other state.

If an applicant has been convicted of one or more misdemeanor or other violations or has pending charges and if the Pharmacy Examining Board determines that the crimes or violations are substantially related to the practice of a wholesale distributor, the Board will not grant a license until it has received sufficient information to determine whether the license should be granted, denied or limited. It is the responsibility of the applicant to provide complete information to the Board. Applications are deemed complete after submission of all relevant background information by the applicant.

4. **Fingerprints:** The Department will obtain a state and federal criminal records search on all applicants. Effective March 1, 2008, all new wholesale distributors who are licensed by the Wisconsin Department of Safety and Professional Services will be required to have the Designated Representative electronically fingerprinted. With the digital process, results should be back within hours of the submission if no criminal record is found. If there is no criminal background history and all requested application materials have been received, a wholesale distributor license will be issued. The named Designated Representative for the wholesale distributor facility applying for the license must submit digital fingerprints

All designated representatives must submit their fingerprints electronically for a background check. Schedule an appointment with the Department's approved vendor, Fieldprint, by visiting their web site at: <http://www.FieldprintWisconsin.com/> Use the Fieldprint code "FPWIDistributor" when prompted. The cost for the digital fingerprints will be \$39.25 and is expected at the time of reservation. You should plan to arrive at the test center fifteen minutes before the scheduled start time of the appointment for check-in. **You must submit your application to the department within 14 days of being fingerprinted.**

Out of State Applicants: If you currently reside outside of the state of Wisconsin and are unable to come to Wisconsin to have digital fingerprints taken, you may submit fingerprints at any Fieldprint station in the United States by registering at the web site above and using the Fieldprint code "FPWIDistributor" when prompted.

Criminal History Checks Notice: Provisions set forth in Title 28, Code of Federal Regulations (**CFR**) Section 16.34, require us to notify you that your fingerprints may be used to check the criminal history records with the FBI. Identification records obtained from the FBI may be used solely for the purpose requested and may not be disseminated outside the receiving department, related agency or other authorized entity. The Pharmacy Examining Board does not deny a license based on the information in the record itself, but does require the submittal of a certified copy of the criminal complaint and judgment of conviction in any matter which would appear to be cause for denial of a license.

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5. **The Authorization for Release of FBI Information (Form # 2687)** must be signed by the applicant and returned with the application. This form must be submitted for Designated Representatives listed on the Wholesale Distributor Application Form (#2814).
6. **Complete and submit Designated Representative Form (#2812)** for the named designated representative listed on Application (Form #2814). This form must have a current photograph of head and shoulders of designated representative attached.
7. **Phar 13.05(4) Surety Bond Form #2819, Irrevocable Letter of Credit Form #2824.** (DSPS forms must be used. There are no exceptions or modifications to the form that will be approved). All applicants shall supply a surety bond or irrevocable letter of credit in the amount of \$5,000.00, which is issued by a company authorized to do business in the State of Wisconsin. The form of the bond or letter of credit shall be approved by the department and conditioned so that the state shall be fully compensated or reimbursed for, and shall be used to, secure payment of fees or costs that relate to the issuance of a wholesale distributor's license that have not been paid within 30 days after the fees or costs have become final. The bond or letter shall be valid for the entire period of an unexpired license issued to the applicant. No claim may be made against a bond or other security under this subsection more than one year after the date on which the applicant's wholesale distributor's license expires. **SURPLUS LINE** – Insurers ARE NOT authorized to do surety business in Wisconsin.
 - a. **If the applicant chooses to obtain the \$5,000.00 surety bond, complete and return the Bond of Prescription Drug Wholesale Distribution Form # 2819.**
 - b. **If the applicant chooses to submit a \$5,000.00 Irrevocable Letter of Credit, complete and return the Letter of Credit Form #2824.**
8. Forward the above items, along with the required fee, to the Pharmacy Examining Board at the address above, at least 30 days prior to the proposed opening date. Requirements and procedures for applying for a wholesale distributor license are specified in s. 450.071. A license application and fee shall be on file with the board at least 30 days prior to the granting of the distributor license. If you have not been inspected in the 3 year period immediately preceding the date of this application, your application will be denied and the application fee will not be returned. Once the required inspection is obtained, a new application will need to be filed and a new application fee paid. You may not conduct business in Wisconsin while awaiting licensure. A distributor may not operate unless a distributor license has been granted. Board action shall be taken within 60 business days of receipt of a completed distributor application, as provided in s. RL 4.03.
9. If controlled substances are distributed, contact the Federal Drug Enforcement Administration for registration forms at www.deadiversion.usdoj.gov, (312) 353-1236, DEA, 230 South Dearborn Street, Ste. 1200, Chicago, Illinois 60604.

PROCEDURE FOR REPORTING THEFT OR LOSS OF CONTROLLED SUBSTANCES

The Designated Representative is responsible for reporting any theft or loss of controlled substances to the U.S. Department of Justice, DEA Kluczynski Building, Ste. 1200, 230 S. Dearborn Street, Chicago, IL 60604 (312-353-1236, or 1-800-478-7642 toll free 24 hours), and to the Pharmacy Examining Board, P.O. Box 8935, Madison, WI 53708-8935, (608-266-2112). Report the theft or loss on DEA Form #106 (Report of Theft or Loss of Controlled Substances), obtainable from DEA at www.deadiversion.usdoj.gov. Make four copies. Send the original and one copy to the DEA office, one copy to the Pharmacy Examining Board, and one copy should be kept with the biennial inventory in the Pharmacy.

All thefts or significant losses must be reported to the DEA officials. In any instance that a pharmacy, practitioner or other DEA registrant authorized to possess controlled substances is required to file with the DEA a report of theft or loss of controlled substances, the pharmacy, practitioner or other DEA registrant shall also send a copy to the board within 2 weeks of filing with the DEA.

PROCEDURE FOR DESTROYING CONTROLLED SUBSTANCES

Contact the U.S. Department of Justice, 1000 N. Water Street, Room 1010, Milwaukee, WI 53202 or www.deadiversion.usdoj.gov for the proper forms and procedures.

WISCONSIN STATUTES AND ADMINISTRATIVE CODES

This may be viewed online at www.dsps.wi.gov.

APPROVED PRESCRIPTION DRUG PRODUCTS AND CODE OF FEDERAL REGULATIONS

These publications are obtainable from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20401.

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Section 450.06(3), Stats., requires that a new wholesale distributor license be obtained following a change of ownership.¹ The following chart sets forth when a change of ownership is deemed to have occurred or not occurred. Following the issuance of a new license, that new licensee must also renew that new license at the next required renewal date, regardless of when that new license was issued.

OWNER	TRANSACTION	CHANGE OF OWNERSHIP?
Individual	Sells wholesale distributor to another	YES
Individual	“Incorporates” him or herself and there are no other shareholders	NO [only a change in business <u>form</u> of owner]
Individual	Incorporates and adds shareholders other than self, or goes into partnership with other(s)	YES
Partnership	Sells distributor to another	YES
Partnership	Members of partnership change and dissolves; e.g., individual(s) leaves	YES
Partnership	Members of partnership change, but partners vote not to dissolve unanimously or by partnership agreement	NO
Partnership	Partnership decides to incorporate itself	NO [again, only a change business <u>form</u> —as long as no shareholders added who were not partners before]
Corporation*	Change in shareholders (including sale of all stock)	NO [Corporation owns wholesale distributor—not shareholders]
Corporation	Sells all assets (as opposed to stock)	YES [One asset being sold is wholesale distributor; corporation no longer owns it after asset sale]
Corporation	Becomes a subsidiary or division of another corporation	NO [Corporation still owns wholesale distributor, regardless of who owns corporation]
Corporation	Merges into/or consolidates with another corporation and loses corporate “identity”	YES

***Limited Liability Companies created under Ch. 183, Stats., are the same as Corporations for change of ownership.**